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FOREIGN CROPS and MARKETS

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CANADA

Wet weather delayed harvesting in most parts of Canada during the first week of September. The first frost was reported in the Prairie Provinces on September 1. Though it is difficult to estimate the damage, the frost was expected to affect quality rather than yield, except in parts of Alberta where frost was heaviest. Grain there is most susceptible to injury, as it is still green.

The harvest was well advanced in most parts of the west, and a good percentage of the threshing had been completed in Manitoba. About 60 percent of wheat and oats and 75 percent of the barley crop had been cut or combined in Saskatchewan. Wheat stem sawfly and hail caused considerable damage in that Province, chiefly in the southern, western, and central districts. The harvest is late in Alberta.

Grain crops are still late in Quebec, and the harvest was further delayed by the wet weather. Yields there were running about 20 percent below those of last year. Rains delayed field work in Ontario also. Yields are disappointing and in many sections of the Province will be only 50 percent of normal, the Dominion Bureau of Statistics announces.

PERU

According to the Bureau of Agriculture, the rice outlook for 1943 is good, owing to favorable weather conditions and absence of insects. Consequently, the rice yield has been revised upward, and is now estimated at from 6,000,000 to 6,300,000 bushels, or an output considered sufficient to meet domestic requirements.

ALGERIAN GRAIN PRICES INCREASED

New official prices have been fixed on the principal grains of the 1943 crop in Algeria, according to information received in the Office of Foreign Agricultural Relations. Net prices were fixed at 420 francs per quintal for soft wheat, 435 francs for hard wheat, and 315 francs for barley and oats.

Tentative prices had originally been established on this year's crop at about the 1942 level. That order, established in June, exempted oats from price restriction, but, as the result of advancing prices, it was decided to place it under control, also. Under the first announced price schedule, grain deliveries were reported to be disappointing, and the later measure provided for somewhat higher prices.

Wheat, barley, and oat prices were fixed by the Governor General, while the market is free for rye, and other secondary grains. The prices fixed apply to grain of standard quality and specified weight, delivered to an authorized granary of the National Wheat Bureau. Prices are adjusted by 0.5 franc for every 500 grams in weight above or below the specific weight. Required weights were established as follows:

	Kilograms per hectoliter	Equivalent pounds per bushel
Soft wheat	75.0-76.0	60.0-60.8
Hard wheat	77.5-78.5	62.0-62.8
Barley	58.0-59.0	44.6-45.4
Oats	47.0-48.0	32.4-33.1

Gross prices are 20 francs per quintal (11 cents per bushel) above the net on wheat, both hard and soft, and are 5 francs (2 cents per bushel) higher for barley, the proceeds to be applied toward the reduction of official expenses and to prevent excessive bread prices.

ALGERIA: Net price to producers fixed on grain of the 1943 crop, with comparisons

Grain	1942 crop a/		1943 crop b/	
	per quintal	per bushel c/	per quintal	per bushel c/
	Francs	Dollars	Francs	Dollars
Soft wheat	365.0	1.99	420.0	2.29
Hard wheat	380.0	2.07	435.0	2.37
Barley	251.5	1.10	315.0	1.37
Oats	251.5	0.73	315.0	0.91

From American Consulate, Algiers. a/ Gross price is 10 francs higher for wheat. b/ Gross price, 20 francs higher for wheat, and 5 francs higher for barley. c/ Converted at rate established on February 2, 1943 (1 franc = 2 cents).

While a part of the additional cost will be reflected in increased bread prices, it is reported that the quality of the bread is to be improved by a reduction in the flour-extraction ratio. The previous ratio of 94 percent is to be reduced to 90 percent and the minimum price of bread raised from 4.5 francs per kiligram (4.1 cents per pound) to 5 francs (4.5 cents per pound).

Before the harvest of the 1943 crop, wheat was reported to have been sold at 1200 francs per quintal ($6.59 per bushel), and barley at 800 francs ($3.48 per bushel) on the black market. That quotation for barley is reported still existant, which is causing some concern for the effects of the new price.

The 1943 wheat crop in Algeria has been estimated at various figures that range from around 28.7 million bushels, indicating a deficit position, to the estimate of some observers placed at 30.5 million bushels, which would leave a small surplus above domestic needs. Even at the latter figure, however, the crop would be below the average of about 33 million bushels during the past 10 years. Barley estimates have shown less disparity, being from 34.4 to 35.8 millions bushels. Barley production during the 10 years ending with 1942 averaged around 31 million bushels. The oats crop, as estimated at 13.8 million bushels, is considerably larger than average and is above normal consumption.

In distinguishing between native and European farming in Algeria, it is noted that usually around 70 percent of the soft or bread-type wheat is grown by Europeans while 80 percent of the hard wheat is raised on native holdings. About 90 percent of the barley is native-grown but natives are said to grow only a small part of the oats crop.

ALGERIA: Acreage and production of principal grains
1933 - 1943

Year	Wheat		Barley		Oats	
	Acreage	Production	Acreage	Production	Acreage	Production
	1,000 acres	1,000 bushels	1,000 acres	1,000 bushels	1,000 acres	1,000 bushels
1933	3,993	31,998	3,450	35,991	451	9,703
1934	4,068	43,528	3,131	44,753	450	11,888
1935	4,095	33,533	3,104	33,019	434	7,287
1936	4,287	29,774	3,120	29,479	473	12,090
1937	4,311	33,209	3,093	27,469	477	9,565
1938	4,101	34,942	2,909	25,967	451	10,892
1939	4,125	44,547	3,029	48,725	490	14,462
1940	4,097	24,695	2,852	13,685	461	6,349
1941	4,185	30,910	2,707	32,937	520	15,760
1942	4,071	25,516	2,849	19,548	591	7,884
Average	4,133	33,265	3,024	31,257	480	10,588
1943 a/	3,629	30,497	2,592	35,825	554	13,779

From official and unofficial estimates. a/ Preliminary.

INDIA'S 1942-43 OILSEED CROPS BELOW AVERAGE

India's oilseed crops, harvested in the fall of 1942 and spring of 1943, with the exception of cottonseed, rape, and mustard seed, were larger than those of 1941-42, but the total fell about 8 percent below the 5-year average, 1937-1941.

The decrease in cottonseed was due to the Government measure requiring a reduction in the output of cotton in order to avoid a burdensome surplus. Rape-and mustard-seed acreages were reduced for the purpose of increasing the cultivation of food crops and because of the lack of soil moisture at sowing time.

INDIA: Production of specified oilseeds, 1937-38 to 1942-43.

Item	1937-38	1938-39	1939-40	1940-41	1941-42 a/	1942-43 a/
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Peanuts (unshelled)	3,921	3,605	3,545	4,146	2,896	3,040
Flaxseed	516	495	522	486	404	460
Sesame seed	521	444	465	486	b/ 464	b/ 519
Castor beans	116	124	109	118	102	165
Rapeseed and mustard seed ..	1,144	1,029	1,252	1,235	b/1,220	1,169
Cottonseed c/	2,288	2,020	1,964	2,361	2,393	b/1,782

Compiled from official sources.

a/ Subject to revision.

b/ Revised.

c/ Estimated from cotton production.

The Indian oilseed market during the quarter ended June 30, 1943, was characterized by speculative activity with prices soaring to unprecedented levels. In most cases the highest prices were reached in the latter part of May. At that time the Government found it necessary to eliminate the speculative element by issuing an order on May 28 prohibiting futures trading in peanuts, flaxseed, mustard seed, and rapeseed. This prohibition did not come into effect until May 31. The intervening period was permitted to enable operators to liquidate their contracts voluntarily. Contracts outstanding at the close of business on May 31 were to be terminated at a rate fixed by the Government.

Spot prices of peanuts on the Bombay market followed the trend of futures quotations during April-June, ranging from $105 per long ton at the beginning of the period to $145 toward the latter part of May and dropping to $127 at the end of June. Recent information indicates a further downward trend. Flaxseed prices are also reported to have declined recently from the high level of the second quarter.

Exports of peanuts and peanut oil from the Port of Bombay are now permitted only upon authorization from the Director of Civil Supplies. It is believed that the purposes of this restriction are to provide an adequate supply of peanuts to local crushers at reasonable prices and to insure a sufficient quantity of peanut oil for local consumption. It is reported that the Madras Government is contemplating similar restrictions.

INDIA: Area of specified oilseeds, 1937-38 to 1942-43

Item	1937-38	1938-39	1939-40	1940-41 a/	1941-42 a/	1942-43 a/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Peanuts	8,898	8,506	8,410	8,770	7,070	7,431
Flaxseed	3,890	3,869	3,715	3,619	b/ 3,348	3,408
Sesame seed	4,450	4,331	4,031	4,097	b/ 4,145	b/ 4,328
Castor beans	1,148	1,198	1,005	1,021	b/ 958	1,352
Rapeseed and mustard seed	5,461	5,535	6,113	6,218	b/ 6,204	b/ 5,784
Cottonseed	25,746	23,490	21,560	23,311	23,547	b/18,812

Compiled from official sources.
a/ Subject to revision.
b/ Revised.

CEYLON REPORTS 1943 COCONUT PRODUCTION AT RECORD LEVEL

The 1943 coconut crop in Ceylon is expected to reach 2 billion coconuts compared with previous crops that ranged between 1.5 and 2 billion nuts. The good crop this year is attributed to favorable weather during the first half of the year. Some increase is expected in the quantities of copra and coconut oil available for export this year, but local consumption of coconuts and coconut oil (for cooking and soap manufacture) also have increased sharply due to a shortage of rice and other food commodities. Further increases in local consumption for food are anticipated, however, and it is expected that the quantities available for export in 1944 may be somewhat reduced.

Ceylon's 1,100,000 acres of coconut palms constitute approximately 14 percent of the world total and nearly 30 percent of the acreage now available to the United Nations. The industry is owned and controlled entirely by Ceylonese and is not well organized. The assembling of accurate statistical data on production and consumption is difficult because of the predominance of small, scattered holdings of coconut groves. It is believed that an increase of around 20 percent above the current rate of production would be possible if sufficient quantities of fertilizer could be made available and producers were organized and encouraged. Any increase in acreage is highly improbable, however, because coconut palms do not reach full production until the age of about 15 years. Coconuts produced in the Philippines, Netherlands Indies, British Malaya and other areas now under Japanese occupation constitute more than 50 percent of the world total and will again enter world trade before new plantings in Ceylon could reach maturity.

Consumption of coconuts in Ceylon since 1941 is estimated at about double the pre-war rate of 20 percent of production. Local consumption of coconut oil also has increased sharply and now amounts to about 40 percent of total production. These percentages are expected to be increased in coming months with the anticipated tightening of the food situation in Ceylon. About 750,000,000 coconuts are expected to be consumed in 1943, and a total of about 15,000,000 will be exported to India.

The production of copra in 1943 is expected to reach about 300 million pounds for export in the form of copra and 300 million for crushing in local mills. There is no local consumption of copra for other purposes. The fixed price paid by the Commissioner for copra is 59 rupees per candy of 560 pounds (currently 3.17 cents per pound). Production of coconut oil during the first half of 1943 amounted to about 93,408,000 pounds, of which about 57 percent was exported during that period. Production during the remainder of the year is expected to equal about 96,300,000 pounds.

All shipments of coconut oil are now being moved in bulk because of the lack of drums. It will be difficult to increase the exports of coconut oil in 1944 because of the scarcity of tank wagons and barges and ships provided with tank facilities, the time required to clean the tanks, and the delays to sailings often incurred. Oil-storage capacity of the Island is estimated at about 11,200,000 pounds and production must be curtailed when stocks reach this level. Mill owners estimate that the mills are capable of producing about 22,400,000 pounds more than the anticipated 1943 output of about 190,000,000 pounds. The controlled price for white oil is 425 rupees per long ton (5.72 cents per pound).

The Ceylon Commissioner of Commodity Purchase, a representative of the British Ministry of Food, has purchased the entire exportable surplus of Ceylon's output of coconut products since early in 1942. These products (copra and coconut oil) are distributed among the United Nations under a quota arrangement established by the Combined Food Board at Washington.

FIRST ESTIMATE OF COTTON ACREAGE IN INDIA SHOWS DECREASE

The first official forecast of the 1943-44 cotton acreage in India places the planted area at 10,610,000 acres, a reduction of more than 4 percent compared with 11,089,000 acres reported for the early plantings on the corresponding date last year. The area reported in the first official forecast has averaged, during the past 10 years, 59.2 percent of the final estimates of acreage. Last season (1942-43) the first forecast of 11,089,000 acres was increased to 18,812,000 acres in the final report. The first forecast for the 1941-42 acreage was 12,475,000, or 53.0 percent of the final estimate of 23,547,00 acres.

The reduction from last year's cotton acreage indicated by the recent estimate of 1943-44 plantings is largely the result of a general movement to increase food production at the expense of other crops. American types, composed of longer staple varieties, show a smaller proportionate decrease in area than the shorter staples. Last season they were the only ones of the principal types to show an increase over the preceding year. They account for 2,815,000 acres this year compared with 3,149,000 in 1942-43 and 2,907,00 in 1941-42.

The area now planted to the Oomras types was placed at 3,664,000 acres compared with 5,086,000 in the past year and 6,568,000 in 1941-42. Bengals are now reported planted on 1,587,000 acres compared with 1,695,000 in 1942-43 and 2,654,000 in 1941-42. About 2,544,000 acres were reported planted to other types, compared with 8,882,000 in the past year. This year's estimate for these types is probably quite incomplete, as it covers areas located chiefly in the southern sections of the country where planting generally is later than in the northern part.

PARAGUAY'S COTTON CROP SHOWS FAVORABLE OUTTURN

Recent information from reliable sources in Paraguay indicates that the cotton crop just harvested totaled approximately 31,200 bales of 478 pounds, a much more favorable outturn than was indicated by early season estimates. Previous reports had been rather pessimistic, as a consequence of the severe drought throughout Paraguay. At that time it was believed that the crop would amount to only about 25,600 bales, or an average year's production. The increase is due to relieving rains that came as the crop matured. The grade of this year's crop is better, although the staple is softer than in past years.

This year's crop is the largest since that of 1937-38. It is only slightly larger than last year's crop of approximately 30,600 bales but considerably larger than the 1941 crop, which was reported as 26,100 bales. Both the 1943 and the 1942 crops were planted on approximately the same area, about 100,000 acres. On a basis of the favorable crop this year, the Paraguayan Government is reported as planning an acreage increase in the coming season to 120,000 hectares, or about 300,000 acres.

BRITISH REPORT GREAT EXPANSION IN TRUCK CROPS

British truck-crop producers have succeeded in growing an extra million tons annually of fresh vegetables for the home market since the war began, virtually without any expansion in acreage. This accomplishment, representing an increase of 33 percent in production, has been hailed as one of the outstanding contributions of British agriculture in the war effort, especially in view of the fact that very few extra acres or extra labor could be spared for the purpose.

In commenting on that development British agricultural experts have stated: "So much has been said and written about Britain's ploughing campaign that her truck farmers have been given rather a back seat. Yet theirs has been a heavy responsibility. Not only have they had to try to replace pre-war imports of 653,000 tons of vegetables, and vitamins and minerals from 1,477,000 tons of imported fresh fruit, and over 217,000 tons of canned and bottled fruit; they have also had to deal with a situation in which decreased meat supplies to the public have thrown greater emphasis on vegetables as the main part of the meal.

"This was only possible by drawing up a planned programme for each year. The Ministry of Agriculture draws up the programme in consultation with the growers, the Ministry of Food and the nutrition experts. The tonnage figures are then converted into acreages, and each county is set a target for each kind of vegetable. But the truck farmer's business is so intricate that actual cropping orders cannot be given. Results have been obtained purely through the publication of the programme and the voluntary efforts of the industry to carry it out. But there have been orders requiring the reduction of the outdoor acreage under flowers to one-quarter of the pre-war; and for 6 months, April to September, glass-houses must be devoted entirely to tomatoes. Only food crops may be grown in glasshouses heated in the winter. This has meant a heavy sacrifice of flowers and bulbs, for which no compensation is payable.

"But the truck farmers have done a fine job for the nation. Tomato production has increased so remarkably that home sources now supply more tomatoes than the total pre-war quantities, including the imports that represented two-thirds of Britains supplies. Onion production will be fifteen times as great as in 1939; carrots will be more than double 1939, and there have been increases of round about 30 percent in cauliflowers, broccoli, and Brussels sprouts that should be greater still next year.

"Transport, as usual, is a difficulty, especially with crops such as green vegetables and tomatoes, where freshness is so important. This has been partly met by a re-distribution of the production centers so that they are closer to some of the centers of consumption. The broad effect of this has been to extend horticulture northwards. It may prove to be a change that is to some extent permanent."

FUTURE TRENDS IN DANISH HOG NUMBERS OBSCURED BY RECENT DEVELOPMENTS

Hog numbers in Denmark have made a substantial recovery from the low level to which they were reduced in 1941 and 1942. This is revealed by the June 27 census, which placed the total as of that date at 2,011,000 head, an increase of about 7 percent above the midsummer estimate for 1942. It is still too early to make any forecast of future trends because of recent disturbances in that country and the tightening of German control. Danish agricultural authorities in recent months, however, have been encouraging producers to carry as many hog as possible on the available feedstuffs so that the country may resume its important position in the international cured-pork market as soon as possible after the end of the war.

Hog numbers were on the upward trend when Denmark was occupied by the Germans in the spring of 1940. Danish hog farmers have concentrated on the lean bacon-type of hog suitable to the British market, and Denmark was the chief supplier of that market prior to the war. As the war proceeded and Denmark was occupied and cut off from overseas sources of feed supplies, hog numbers were reduced, and live hog and pork exports were diverted to Germany.

DENMARK: Number of hogs according to detailed classification as of July 27, 1943, with comparisons

Classification	July 15, 1939	June 29, 1940 a/	July 12, 1941	July 11, 1942	July 27, 1943
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
Boars	18	17	11	9	9
Sows, bred:					
Young	75	50	78	b/	79
Old	170	146	85	b/	85
Total	245	196	163	b/	164
Other sows:					
With litters	100	91	53	b/	52
Barren	27	34	17	b/	15
Condemned	11	15	7	b/	9
Total sows	383	336	240	172	240
Suckling pigs	843	761	440	253	429
Slaughter hogs:					
Under 77 pounds	777	840	420	286	411
77 to 132 pounds	640	635	405	295	475
132 pounds and over	472	629	254	191	447
Total hogs	3,133	3,218	1,770	1,206	2,011

Compiled from official sources.

a/ July estimate not available in 1940. b/ Details not available.

In the last 5 years preceding the war, 99.97 percent of the Danish bacon exports, which averaged a little over 415 million pounds, went to the British market, and Denmark supplied 48 percent of the bacon imports into that market. Prior to 1933, Denmark had supplied Britain with about twice that quantity. In 1932, however, the British Government adopted a bacon-import-quota system in an effort to protect British hog producers who had suffered a 40-percent reduction in prices between 1929 and 1931, attributed to heavy imports of bacon. It was therefore decided to restrict imports and encourage home production. This decision of the British Government caused the Danish Government to pass the Hog Control Law in February 1933, which enabled the Danish farmers to adjust their hog production and marketing to the reduced outlet in an orderly manner.

DENMARK: Bacon exports to United Kingdom and total, 1929-1943

Year	United Kingdom	Total	Year	United Kingdom	Total	Year	United Kingdom	Total
	Million pounds	Million pounds		Million pounds	Million pounds		Million pounds	Million pounds
1929 ..	546	546	1934 ..	483	483	1939 ..	405	405
1930 ..	674	674	1935 ..	434	434	1940 ..	a/	b/261
1931 ..	820	820	1936 ..	384	384	1941 ..	-	c/160
1932 ..	845	846	1937 ..	393	393	1942 ..	-	a/
1933 ..	625	631	1938 ..	384	384	1943 ..	-	a/

Compiled from official sources. a/ Not available. b/ 158 million pounds went to Germany. c/ Estimated on basis of exports for 10 months.

Denmark originally became one of the world's largest surplus producers of pork and pork products mainly as a result of the upward trend in dairy production, such byproducts as skimmed milk, buttermilk, and whey being used as supplementary proteins in Danish hog-feeding practices with a view to producing a lean bacon hog. As hog numbers increased, however, hog-feeding operations became more dependent on grain supplies. Since the nearby British market afforded a profitable outlet for the large hog surplus in the form of cured pork, it paid the Danes to import grain for feed. It was estimated by Dr. Jorg Pederson 1/ that in 1931 grain consumption in Denmark by slaughter hogs amounted to 2,579,000 short tons, with an additional quantity of 419,000 tons for sows and boars. Thus 53 percent of the total available supply, estimated at 5,610,000 short tons, including flour and grits converted to a grain basis, was utilized for hog feed. Approximately 2,116,000 tons of the total was imported.

With the adoption by the United Kingdom of the bacon import quota in 1932, Danish hog numbers, which had increased from 2,500,000 to 5,500,000 between 1925 and 1931, immediately reacted to the reduced export outlet, falling to 3,000,000 in 1934. Numbers declined 10 percent in 1931-32, another 10 percent in 1932-33, and 31 percent in 1933-34, the first year

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1/ See, The Operation and Results of the Hog Production Control Plan in Denmark, 1933, by H. E. Reed, publication (F. S. 59) of the Foreign Agricultural Service, United States Department of Agriculture.

4,600,000 in the 5 years 1929-1933.

DENMARK: Number of hogs on hand and live-hog exports, 1929-1943

Year (July)	Numbers	Exports		Year (July)	Numbers	Exports	
		Germany	Total			Germany	Total
	1,000 head	1,000 head	1,000 head		1,000 head	1,000 head	1,000 head
1929	3,567	45	51	1937	3,066	157	167
1930	4,872	52	62	1938	2,842	114	114
1931	5,453	30	34	1939	3,133	136	137
1932	4,886	2	24	1940	3,218	747	a/ 754
1933	4,407	15	72	1941	1,770	b/ 460	a/ 460
1934	3,061	31	57	1942	1,206	c/	c/
1935	3,036	44	53	1943	2,011	c/	c/
1936	3,496	162	184				

Compiled from official sources.
a/ Preliminary b/ Preliminary; destination not reported but assumed that bulk of shipments were to Germany. c/ Not available.

In the year 1923 Denmark had begun to displace the United States as the most important supplier of bacon to the British market, and exports increased rapidly from 380 million pounds that year to 846 million pounds in 1932. Thereafter bacon exports declined along with hog numbers, but because of successful efforts to find new markets the trade in live hogs was expanded. Shipments of live hogs to Germany, which averaged only 29,000 head in the 5-year period 1929-1933, increased materially to reach 102,000 head in the 5-year period immediately preceding the war. In 1940, Denmark sent 747,000 live hogs to Germany, but this was accompanied by a substantial decline in pork exports. Since 1938, when Austria was taken over by Germany, all of the live hogs shipped from Denmark have gone to Germany. Formerly a fair number went to Austria.

As far as pork exports (other than bacon) are concerned, there was some increase following 1932, but this increase did not offset the substantial decline in bacon exports. Exports of fresh pork, including heads and feet, increased, principally to Germany. Exports of other cured pork (hams, etc.) also increased somewhat but the total quantity remained relatively small. In 1939 a new item, approximately 5 million pounds of canned hams, was reported. Formerly the exports, if any, of that item had been included under canned meat.

Canada was the principal competitor of Denmark in the British bacon market for some years prior to the war. That country has greatly expanded its hog industry since the war began in order to supply Britain's wartime requirements. The Canadian hog has not been so well suited to the British taste as the Danish hog, but it seems fairly certain that Canada will have a large share in the market for some years after the war.

Whether or not Denmark will eventually resume its former position in the British market will depend to a large extent on Britain's post-war policy regarding the British overseas Dominions and the United States. The Danish hog was developed chiefly to suit the British requirements, however, and the economy of Denmark continues to encourage this type of hog production. The share of other countries in the British market after the war will probably depend mainly on their ability to develop the desired type of bacon hog.

DENMARK: Exports of pork by principal countries of destination, averages 1929-1938, annual 1939-1940

Kind of meat and country of destination	Averages 1929-1933	Averages 1934-1938	1939	1940 a/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
BACON				
United Kingdom	702,123	415,556	405,170	b/
Belgium and Luxemberg	1,346	52	0	b/
Germany	0	49	0	158,000
Other	0	10	0	b/
Total	703,469	415,667	405,170	261,096
HAMS AND OTHER CURED PORK				
United Kingdom	203	63	45	b/
Germany	377	1,141	927	b/
Norway	110	61	54	b/
Belgium	78	5	c/	b/
France	70	31	6	b/
Czechoslovakia	d/	e/ 64	d/	b/
Italy	f/ 16	e/ 17	d/	b/
Egypt	10	10	45	b/
Morocco	56	141	6	b/
Other	128	257	112	b/
Total	1,048	1,790	g/ 1,195	3,138
FRESH PORK INCLUDING HEADS AND FEET				
United Kingdom	6,787	1,299	1,477	b/
Germany	9,743	6,453	17,368	b/
Italy	4,060	1,428	0	b/
Others	3,029	2,253	227	b/
Total	23,619	11,433	19,072	52,866
Total pork	728,136	428,890	h/429,970	317,100

Compiled from official sources.

a/ Preliminary. b/ Destination not reported but assumed that bulk of shipments went to Germany. c/ Less than 500 pounds. d/ If any, included with other. e/ 4-year average. f/ 3-year average. g/ In addition, 4,532,870 pounds of canned ham were reported; this was formerly given under canned meat and cannot be separated. h/ Includes 4,532,870 pounds of canned hams, reported with other canned meats originally.

BRITISH CONCENTRATE ON BETTER HERDS AND MILK

For some time R. W. Hudson and Lord Woolton, Ministers of Agriculture and Food, respectively, have been considering improvement of quality and quantity of the British milk supply. In commenting on that objective British agricultural experts recently stated: "Compulsory pasteurization has been one of the thorns in the problem. Many medical authorities and many milk producers are strongly against it. But technical considerations in handling milk have made pasteurization almost inevitable in large towns, and 90 percent of London's milk is so treated; the corresponding figure for the whole of Great Britain is 70 percent.

"The Government's plans have now been published. They say the basis of a sound milk policy must be a well-bred, healthy dairy herd. So far the Central Government and local authorities have shared in the inspection and control of dairying at the producer's end of the business. To secure greater uniformity Parliament is to be asked to approve legislation that will take this function out of the hands of local authorities and make the Ministry of Agriculture responsible for all matters relating to the production of milk. This will mean one policy, actively pursued, for the whole of England and Wales (Scotland is not included in this respect) and closer contact between dairy farmers and veterinary officers. Inspection of herds will be universal and on a uniform basis, with special attention for herds with a bad disease history. Indiscriminate crossbreeding will be discouraged; diseased and unthrifty cows weeded out; more good bulls from milk-recorded herds will be used to grade up the commercial herds.

"Transport is a great war-time difficulty in Britain and this has led to much Tuberculin Tested milk being bulked and sold as ordinary milk. So many T.T. producers have had difficulty in finding a market for milk of this quality. The Government proposed to increase to 4.d (8 cents) per gallon the premium to all T.T. producers; at the same time the cost of this milk to the public is to be made very little more than ordinary milk, so as to increase the demand for it.

"In certain areas (and for some time, at any rate, this will mean large towns, that will be specified) milk will only be sold by retailer if it is either T.T. milk or milk of a certain standard of cleanliness coming from a single herd attaining that standard, or milk rendered safe by heat treatment. Before any such area is scheduled, the Minister of Food will satisfy himself that adequate plant for heat treatment is available. Small retailers of milk may find difficulty in obtaining the necessary plant in war-time. Where satisfactory arrangements for protecting the small men cannot be made, local authorities will be enabled to set up and operate a pasteurizing plant. If the man who produces milk, and also retails it, has to submit his milk for pasteurization, there will be no added cost. He will sell at the national contract price and buy back at the national price at which any dairyman obtains his milk."

FERTILIZERS IN ITALY

Italy has long been dependent upon foreign sources of supply for a large part of her fertilizer requirements. Agriculture is the most important industry with nearly one-half of the gainfully employed population engaged in agricultural pursuits. The importance to Italy of commercial fertilizers can thus be calculated, especially when due consideration is given to the necessity of importing practically all the phosphates and potash so essential for the production of much-needed food. Of prime importance is the maintenance of trade channels with North Africa and Central Europe for the supplying of phosphates and potash, respectively, for without these very essential fertilizer materials home production of food would be seriously curtailed.

From 1939 to 1942 Italy was in a position to receive shipments of phosphate rock from French North Africa via the Mediterranean, and potash salts from Germany largely through the Brenner Pass. These imported materials, together with ample domestic production of nitrogenous materials, provided Italian agriculture with sufficient commercial plant-food nutrients to feed the population under a rationing system that was not too severe. Isolating Italy from Germany and Africa would place her in a precarious position so far as fertilizers are concerned.

NITRATES: During peace times Italy had ample facilities to produce nitrogenous materials for fertilizer use, even though an average of 12,847 short tons of nitrogen was imported between 1929 and 1936, 51,389 tons in 1937, and 19,921 tons in 1938. Importations consisted chiefly of Chilean nitrate of soda used in northern Italy in the intensively farmed agricultural valleys. Coke ovens producing synthetic byproduct sulphate of ammonia are widely scattered throughout Italy, as are the synthetic plants for the production of calcium nitrate, ammonium nitrate, and cyanamid.

The nitrogen position is believed to be fairly satisfactory, since increased coke and steel production during the war has no doubt resulted in increased byproduct ammonium sulphate becoming available for agriculture. While Chilean nitrate of soda importations have, of course, been terminated, it is believed that the increased domestic production of nitrogen has more than offset the loss of Chilean imports.

The table on the following page shows the 1929-1933 average importation of the main nitrogenous materials and import figures for 1934 to 1938, inclusive. It is noted that imports of Chilean nitrate of soda accounted for slightly more than 60 percent of nitrogen imports for 1929 to 1933, about 90 percent from 1934 to 1936, inclusive, only 30 percent in 1937, and increased to nearly 50 percent in 1938.

ITALY: Imports of nitrogen in terms of material and total elemental nitrogen, average 1929-1933, annual 1934-1938

Year	Nitrate of soda	Ammonium sulphate	Ammonium nitrate	Calcium nitrate	Cyanamid	Total calculated as elemental nitrogen
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
1929-1933 average ..	63,603	8,488	220	10,141	8,708	15,256
1934	36,707	0	0	0	4,850	6,843
1935	43,651	0	0	0	2,425	7,469
1936	70,106	0	0	0	4,850	12,187
1937	93,365	105,380	0	54,013	33,730	51,389
1938	56,658	21,715	0	21,826	15,653	19,921

Compiled from International Yearbook of Agricultural Statistics, 1939-40.

The table below presents the consumption of fertilizer nitrogen of commercial origin expressed in terms of material with a total elemental nitrogen equivalent for all materials. A marked increase in the use of commercial nitrogen carriers in agriculture is evident from this table. A 5-year average for 1929-1933 shows that 73,709 short tons of nitrogen were used, which increased by nearly 50 percent in 1934 and 100 percent by 1937 and 1938.

ITALY: Commercial nitrogen consumption in terms of material and total elemental nitrogen, average 1929-1933, annual 1934-1938

Year	Nitrate of soda	Ammonium sulphate	Ammonium nitrate	Calcium nitrate	Cyanamid	Total calculated as elemental nitrogen
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
1929-1933 average ..	64,154	122,135	23,259	51,367	107,474	73,709
1934	56,328	144,401	35,274	119,820	153,771	101,111
1935	82,452	174,274	35,715	111,773	210,319	122,329
1936	71,870	155,424	9,810	69,335	230,050	105,539
1937	96,451	256,946	38,360	157,960	225,200	152,518
1938	70,217	253,529	43,651	165,014	206,681	147,743

Compiled from International Yearbook of Agricultural Statistics, 1939-40.

PHOSPHATES: Only about 300 tons of phosphate rock are mined annually in Italy. This is an insignificant part of the total requirements. Annual importation of phosphate rock during the past decade varied from 725,544 short tons in 1935 to a high of 1,060,112 tons in 1939. In addition, small quantities of phosphatic fertilizers were imported in the form of basic slag and ammonium phosphate. The following table shows the source and amount of phosphate rock imported from 1934 to 1940, inclusive.

ITALY: Imports of phosphate rock by country of origin, 1934-1940

Year	United States	Algeria	Tunisia	Morocco	Egypt	Soviet Union	Total
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
1934	91,404	8,816	296,159	240,064	52,100	53,711	742,254
1935	45,147	2,663	298,735	257,414	66,061	55,529	725,544
1936	42,520	-	360,356	273,973	100,202	98,105	875,156
1937	71,166	-	433,895	369,124	49,075	44,628	967,888
1938	56,175	-	315,076	450,995	105,242	-	927,488
1939	64,313	6,210	484,358	403,764	101,467	-	1,060,112
1940	a/	1,313	449,463	209,812	32,325	a/	b/692,913

Compiled from official sources.
a/ Data unavailable.
b/ Total for North Africa only.

Since 1934 over 75 percent of the annual imports of phosphate rock have come from French North Africa. Egypt and French North Africa together supplies 80 to 85 percent of all Italian imports. No phosphate rock has been imported from the Soviet Union since 1937 and none from the United States since 1939. It is believed that until quite recently Italy has been able to import phosphate rock from North Africa in sufficient quantities to maintain normal production of superphosphate and that Italian soils, as a result, have not been mined excessively during the past 2 or 3 years.

Annual consumption of phosphorus in Italian agriculture is shown in the following table. The total phosphoric oxide (P_2O_5) content of various phosphorus carriers commonly used is shown in the total P_2O_5 column.

ITALY: Consumption of phosphates, average 1929-1938, annual 1934-1938

Year	Superphosphate as P_2O_5	Rock phosphate as P_2O_5	Basic slag as P_2O_5	Total P_2O_5
	Short tons	Short tons	Short tons	Short tons
1929-1933 average ...	206,527	4,244	8,624	219,395
1934	190,001	5,826	5,750	201,577
1935	225,680	7,909	2,099	235,688
1936	235,751	5,980	194	241,925
1937	243,652	5,054	4,638	253,344
1938	263,608	5,903	2,011	271,522

Compiled from International Yearbook of Agricultural Statistics, 1939-40.

It will be noted that superphosphate, produced by treating ground rock phosphate with sulphuric acid, furnishes 90 to 95 percent of the commercial plant-food phosphorus used on Italian soils. Domestic production of elemental sulphur used in the manufacture of sulphuric acid is more than ample because Italy exports annually large quantities of sulphur. Sulphuric acid manufacturing plants are scattered throughout Italy, as also are the acidulating plants for the production of superphosphate.

POTASH: The potash consumption by Italian agriculture is quite small compared with phosphates and nitrogen. The following table shows a slight increase from an average of 17,196 short tons K_2O used in 1929-1933 to 20,966 tons K_2O as an average for 1934 to 1938, inclusive. A few hundred tons of potash material obtained as a byproduct residue from sugar-beet factories constitute domestic production, and thus the entire balance consumed in agriculture must be imported. Potash is used largely in the northern part of Italy.

ITALY: Potash consumption, average 1929-1933, annual 1934-1938
(In short tons of K_2O)

Year	Consumption	Year	Consumption
	Short tons		Short tons
1929-1933 average	17,196	1936	12,346
1934	31,636	1937	17,416
1935	23,810	1938	19,621

Compiled from International Yearbook of Agricultural Statistics, 1939-40.

SUMMARY: The quantity of fertilizer materials used in Italy the past 14 years has steadily increased, as evidenced in the table below. The greatest increase was of nitrogen, while those of phosphates and potash were less. The increases of both nitrogen and phosphate are significant in that they represent large tonnages of fertilizer materials. Capacity for producing nitrogen is ample for both military and agricultural needs, but in 1941 the actual production was seriously hampered by shortage of electric current and coal. This lack of power, together with transportation difficulties and scarcity of raw materials, forced a reduction in the national consumption of chemical fertilizers. The resulting shortage of fertilizers was an important drawback in the Government's efforts to expand agricultural production.

ITALY: Average fertilizer consumption per acre of arable land, averages 1929-1938

Year	N	P_2O_5	K_2O
	Pounds	Pounds	Pounds
1929-1933 average	4.4	13.1	1.1
1934-1938 average	7.8	14.9	1.4

Compiled from official sources.

EXCHANGE RATES: Average value in New York of specified currencies, week ended September 4, 1943 with comparisons a/

Country	Monetary unit	Year 1942	Month				Week ended		
			1941	1942	1943		1943		
			August	August	July	August	August 21	August 28	Sept. 4
		Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Argentina b/	Paper peso	29.77	29.77	29.77	29.77	29.77	29.77	29.77	29.77
Australia c/	Pound	321.50	321.28	321.50	322.80	322.80	322.80	322.80	322.80
Brazil d/...	Cruzeiro .	5.14	5.06	5.14	5.13	5.13	5.13	5.13	5.13
British India	Rupee	30.12	30.13	30.12	30.12	30.12	30.12	30.12	30.12
Canada e/ ..	Dollar ...	88.38	88.96 f/	89.52	90.58	90.64	90.72	90.72	90.38
Mexico	Peso	20.57	20.54	20.57	20.58	20.58	20.58	20.58	20.58
New Zealand	Pound	322.73	322.54	322.78	324.42	324.42	324.42	324.42	324.42
South Africa	Pound	398.00	398.00	398.00	398.00	398.00	398.00	398.00	398.00
United Kingdom c/	Pound	403.50	403.18	403.50	403.50	403.50	403.50	403.50	403.50
Uruguay g/..	Peso	52.72	43.74	52.74	52.87	52.87	52.88	52.90	52.90

Federal Reserve Board.

a/ Noon buying rates for cable transfers.

b/ Official, regular exports. The special export rate of 23.70 cents, reported beginning March 27, 1941, applies to exchange derived from certain minor exports (e.g. dairy products) to certain countries (e.g. United States), such exchange formerly having been sold in the free market. Quotations nominal.

c/ Free prior to February 2, 1943. Quotation of free rate discontinued after February 1, 1943, when regulations were issued by the British Treasury transforming all free sterling balances into registered sterling, convertible into dollars at the official rate.

d/ Free. Under law of October 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. The cruzeiro has the same value as the milreis. Since April 10, 1939, 30 percent of the exchange derived from exports must be turned over at the official buying rate of 6.06 cents, the weighted average value of the milreis being 5.42 cents in 1942, the value of the cruzeiro 5.41 cents in August, 1943 and 5.41 cents in the week ended September 4, 1943. Quotations nominal.

e/ Free. Most transactions between Canada and the United States take place at the official buying and selling rates.

f/ Quotations nominal.

g/ Noncontrolled. Quotations nominal.

EXCHANGE RATES: Average value in New York of Chinese, Japanese, and some European currencies during last full months for which rates were available, and current official rates

Country	Unit	New York rate a/			Current official rate	
		Month		Rate		
				Cents		Cents
Belgium	Belga	April 1940		16.89	b/	16.00
Denmark	Krone	March 1940		19.31		20.88
France	Franc	May 1940		1.85	c/	2.00
Germany	Reichsmark	May 1941	d/	39.97		40.00
Greece	Drachma	September 1940	d/	0.66	b/	0.67
Italy	Lira	May 1941	d/	5.09		5.26
Netherlands	Guilder	April 1940		53.08		53.08
Norway	Krone	March 1940		22.71		22.86
Portugal	Escudo	May 1941		4.00	e/	6.67
Spain	Peseta	May 1941	d/	9.13		9.13
Sweden	Krona	May 1941		23.84		23.81
Switzerland	Franc	May 1941		23.20		23.20
China	Yuan (Shanghai)	June 1941	d/	5.34	f/	5.31
Japan	Yen	June 1941		23.44		23.44

a/ Noon buying rates for cable transfers as reported by Federal Reserve Board. Last daily rate reported on April 8, 1940, for the Danish and Norwegian kroner; on May 9, 1940, for the belga and guilder; on June 15, 1940, for the French franc; on October 26, 1940, for the drachma; on June 14, 1941, for the other above-mentioned European currencies; and on July 25, 1941, for the yen and yuan (Shanghai).

b/ Based on German official rate for United States dollar.

c/ Based on German official rate for United States dollar in occupied area; in unoccupied area, official rate is 2.28 cents.

d/ Quotations nominal.

e/ Rate for currency; for checks, 4.09 cents to the escudo.

f/ Rate set August 18, 1941, by Chinese Stabilization Board.